

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROP SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on January 8, 1999 at 8:05 A.M., in Scott Hart Auditorium.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Greg DeWitt, Legislative Branch
Roger Lloyd, Legislative Branch
Bob Tallerico, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearings: Dept. of Commerce : Coal Board - Local Impact,
1/8/1999; Dept. of Commerce: County Land Planning,
1/8/1999; Dept. of Agriculture: Growth Through Ag,
1/8/1999; DNRC: Conservation Districts, 1/8/1999
Executive Action: None.

HEARING ON HB 2 - COAL BOARD: LOCAL IMPACTS

**{Tape : 1; Side : A; Approx. Time Counter : 2.5 → Tape : 1; Side
B; Approx. Time Counter : 7.9}**

Roger Lloyd gave a briefing that was supplemented with a break out of coal severance taxes allocation. **EXHIBIT(jnh05a01)**

Newell Anderson, Administrator of Local Govt. Assist. Div., MT Dept. of Commerce, gave a briefing on the MT Coal Board while following his supplemental handout. **EXHIBIT(jnh05a02)**

Roger Knapp, Vice Chair of MT Coal Board, discussed the view of the MT Coal Board. **Sen. Keating** then recommended that the committee hear testimonies.

The Following Persons Testified:

Sen. Reiny Jabs, Big Horn/Rosebud Co's {Tape : 1; Side : A; Approx. Time Counter : 23.5}

Sen. Mack Cole, Treasure Co. {Tape : 1; Side : A; Approx. Time Counter : 25.5} EXHIBIT(jnh05a03)

Rep. Monica Lindeen, Yellowstone Co. {Tape : 1; Side : A; Approx. Time Counter : 27.8}

Bob Gilbert, Rosebud Co. {Tape : 1; Side : A; Approx. Time Counter : 28.9}

Rep. Marian Hanson, Rosebud Co. {Tape : 1; Side : A; Approx. Time Counter : 31.7}

Jane Jelinski for Janet R. Kelly, MACO {Tape : 1; Side : A; Approx. Time Counter : 32.9} EXHIBIT(jnh05a04)

Don Sterhan, Tongue River Railroad {Tape : 1; Side : A; Approx. Time Counter : 34.1}

Tom Daubert, MT Assoc. of Oil Gas & Coal {Tape : 1; Side : A; Approx. Time Counter : 37.7}

Gloria Paladichuk, Richland Economic Dev. {Tape : 1; Side : A; Approx. Time Counter : 38.9}

John Pretty On Top, Big Horn Co. {Tape : 1; Side : A; Approx. Time Counter : 40.9} EXHIBIT(jnh05a05)

John Doyle, Big Horn Co. Commissioner {Tape : 1; Side : A; Approx. Time Counter : 44.7} EXHIBIT(jnh05a06)

**Rusty Rokita, Chair of Big Horn Co. Planning Board {Tape : 1;
Side : A; Approx. Time Counter : 45.5}**

**Pam Clark, City of Hardin {Tape : 1; Side : A; Approx. Time
Counter : 50.9}**

Questions from Committee Members and Responses:

Rep. Tropila questioned **Newell Anderson** and found that the first \$1 million is for reconstruction and engineering of Hwy 314. He also asked **Sen. Cole** about the health problems in Colestrip mentioned during testimony which turned out to be stress and domestic problems due mainly to "down-sizing." **Rep. Tropila** then questioned **Commissioner Pretty On Top** about the coal spill and fatalities referred to during testimony and found that the railroad (Burlington Northern) cleans up spills; fatalities were at crossings; and because the railroad is not maintaining their right-of-way, there have been livestock fatalities, also.

Sen. Nelson questioned **Commissioner Pretty On Top** about the once paved, now gravel Hwy 314 violating the Cheyenne Clean Air Act.

Rep. Haines jumped into the discussion and found that the dust is due to the hauling of coal from Decker, and the construction of the Tongue River Dam.

Sen. Keating asked **Don Sterhan** if the Tongue River Railroad becomes a reality with a shorter route, could there be an increase in coal production, to which it was answered yes, and that the railroad would alleviate coal haulage.

Recess {Tape : 1; Side : B; Approx. Time Counter : 7.9}

HEARING ON HB 2 - COUNTY LAND PLANNING

{Tape : 1; Side : B; Approx. Time Counter : 7.9 - 15.5}

Gavin Anderson, Planner IV, Local Govt. Assist. Div, MT Dept. of Commerce, passed out and discussed a packet on the County Land Planning Fund Program. **EXHIBIT(jnh05a07)**

Questions from Committee Members and Responses:

Sen. Keating questioned **Mr. Anderson** and found that not every county has an active planning board, though, those without do receive an allocation. Those counties with planning boards, however, do have other sources of funding (i.e. mill levees & local general fund). **Sen. Keating** then asked why **Mr. Anderson** believes the counties are entitled to coal tax funds, to which it was answered that it was not his decision to make - made by law.

Chairman Witt questioned whether the city will get coal tax funds if the city is separate from county planning boards, and was answered yes, if the county decides to give it to them.

Recess {Tape : 1; Side : B; Approx. Time Counter : 15.5}

HEARING ON HB 2 - MT GROWTH THROUGH AG

{Tape : 1; Side : B; Approx. Time Counter : 16.7 → Tape : 2; Side : A; Approx. Time Counter : 12.6}

Will Kissinger, MT Dept. of Agriculture, discussed Montana Growth Through Ag and passed out supplemental black folders.

EXHIBIT(jnh05a08)

The Following Persons Testified:

Jenny Stickley, Special Services Coord., MSGA {Tape : 1; Side : B; Approx. Time Counter : 25.1}

Refer to written testimony in Exhibit(8).

Bill Barr, Exec. Dir., Richland Economic Dev. {Tape : 1; Side : B; Approx. Time Counter : 28.4}

Refer to written testimony in Exhibit(8).

Lorna Karn, MT Farm Bureau {Tape : 1; Side : B; Approx. Time Counter : 34.4}

Randy Johnson, MT Grain Growers {Tape : 1; Side : B; Approx. Time Counter : 36.5}

Ron de Yong, MT Farmers Union {Tape : 1; Side : B; Approx. Time Counter : 38.6}

Andy Poole, Deputy Dir., Dept. of Commerce {Tape : 1; Side : B; Approx. Time Counter : 40.1}

Candace Payne, WIFE {Tape : 1; Side : B; Approx. Time Counter : 41}

Mike Volesky, MT Assoc. of Conservation Dist's {Tape : 1; Side : B; Approx. Time Counter : 42.1}

Esther McDonald, MT Cattlemen {Tape : 1; Side : B; Approx. Time Counter : 43.1}

Questions from Committee Members and Responses:

Sen. Keating questioned **MT DOA Director Ralph Peck** about loans, referring to the last page on the Growth Through Ag budget spreadsheet packet found in Exhibit 8. **MSGA Executive VP Jim Peterson** and **Randy Johnson** commented also.

Chairman Witt asked, as a follow-up question to **Randy Johnson's** testimony, if the program was available to farmers/ranchers not in MT Grain Growers Assn. **Mr. Johnson** replied yes, it is available to all MT producers.

Sen. Keating asked if lowering the tax on coal would result in increased coal production, to which **Bill Barr** replied yes, it could. **Sen. Keating** then asked if there was funding for the Foreign Trade Office in FY99. **Mr. Peck** replied that it should have been included. **Lee Bayer** replied to **Sen. Keating's** final query about Harvest Kitchen in Billings.

Sen. Nelson asked **Mr. Barr** where the statistic of 5000 acres dryland/farm and 1000 acres irrigated/farm originated from. He replied that he was not sure and that it is a regularly used average, so was not sure of the breakdown.

Rep. Haines also questioned **Director Peck** on the Growth Through Ag spreadsheets, then about FTE's.

Chairman Witt questioned the MSGA members about trade between the US and Canada and started a discussion. **Jim Peterson** replied and commented, as did **Randy Johnson**, **Ron de Yong**, **Director Peck**, **Rep. Tropila**, **Sen. Nelson**, and **Jenny Stickley**.

Recess {Tape : 2; Side : A; Approx. Time Counter : 12.6}

HEARING ON CONSERVATION DISTRICTS

{Tape : 2; Side : A; Approx. Time Counter : 13.3 → Tape : 2; Side : B; Approx. Time Counter : 7.4}

Roger Lloyd asked the committee to look to **C-146** of Legislative Budget Analysis 2001 Biennium: Agency Budgets, Vol. 1, January 1999, LFD for funding of Conservation Districts.

**The LBA 2001 budget book will not be referred to as an exhibit, however, budget information from other sources will be noted as exhibits.*

Ray Beck, Administrator, Conservation and Resource Development Division, DNRC, gave a presentation on Conservation Districts and passed out a 4 page supplemental handout packet on HB 223 Grant

Program, 310 Applications Processed, and the Administrative Grant Program. **EXHIBIT(jnh05a09)**

HB 223 Grants Program

{Tape : 2; Side : A; Approx. Time Counter : 21.1}

Refer to pages 1 and 2 of Exhibit(9).

Engineering Funds

{Tape : 2; Side : A; Approx. Time Counter : 23.5}

Refer to page 3 of Exhibit(9).

Legal Funds

{Tape : 2; Side : A; Approx. Time Counter : 24.9}

Watershed Planning Assistance

{Tape : 2; Side : A; Approx. Time Counter : 25.8}

Administrative Funds

{Tape : 2; Side : A; Approx. Time Counter : 27}

Refer to page 4 of Exhibit(9).

Envirothon

{Tape : 2; Side : A; Approx. Time Counter : 27.7}

Jane Holzer, Program Director, Montana Salinity Control Association, gave a presentation on saline seep in Montana, along with examples of how funding has helped to rectify the problem. She gave the committee members each an MSCA brochure and a supplemental handout that she followed during her presentation. **EXHIBIT(jnh05a10)** and **EXHIBIT(jnh05a11)** respectively.

The Following Persons Testified:

Barry Wharram, MSCA {Tape : 2; Side : A; Approx. Time Counter : 41.8}

Mike Volesky, Exec. Dir. MT Assoc. Conservation Districts {Tape : 2; Side : A; Approx. Time Counter : 46.6}

Gayla Whortman, Administrator of Lewis & Clark Conservation District {Tape : 2; Side : A; Approx. Time Counter : 50.5}

Refer to written testimony. **EXHIBIT(jnh05a12)**

Stan Fraizer, Lewis & Clark Conservation District Board of Supervisors {Tape : 2; Side : A; Approx. Time Counter : 52.7}

Refer to written testimony. **EXHIBIT(jnh05a13)**

Tom Stellig, Cascade Co. Commissioner and Cascade Co. Conservation District Treasurer {Tape : 2; Side : A; Approx. Time Counter : 54.3}

Refer to written testimony. **EXHIBIT(jnh05a14)**

Randy Johnson, MT Grain Growers {Tape : 2; Side : A; Approx. Time Counter : 56.9}

A packet of letters sent to the committee gave written testimony from the following: **Luther Waterland, President, MT Assoc. Conservation Districts; Allen Nelson, Supervisor, Carbon Conservation District; Marc Aberg, Chairman, Custer Co. Conservation District; Walt Borntrager, Chairman, Dawson Co. Conservation District; Tom Econom, Chairman, Fergus Co. Conservation District; Ronald Buentemeier, Chairman of the Board, Flathead Conservation District; Garfield Co. Conservation District; Jim Dinsmore, Chairman, Granite Conservation District; Marvin Krook, Chairman, Liberty Co. Conservation District; Paul Kronebusch, Chairman, Pondera Co. Conservation District; Sheridan Co. Conservation District; John Green, Chairman, Sweet Grass Conservation District; Yellowstone Conservation District; and Mark Duntemann, President, Natural Path Forestry Consultants.**
EXHIBIT(jnh05a15)

Questions from Committee Members and Responses:

Chairman Witt asked **Jane Holzer** if it were true that some of the projects benefit differently the areas they are at, for example, the Teton Project. She replied that she was not sure. He also asked her if there were other services the MSCA staff are contracted for by other agencies, how many staffers the MSCA has, and to which budget the additional \$25,000/year would be added to. **Barry Wharram** replied to **Chairman Witt's** inquiry of whether or not the saline seep project(s) in Choteau Co. are still effective and what the present need is there.

Rep. Haines questioned **Jane Holzer** and her thoughts of comments made by **Bill Barr**.

Chairman Witt asked how MSCA views the Vision 2005 goal of 500,000+ acres of irrigated ground.

Sen. Keating questioned **Ray Beck** on the rational for the funding change from RIT to General Fund, referring to **C-147** of the LBA 2001 budget book. **Doug Schmitz** gave his comments also.

ADJOURNMENT

Adjournment: 11:58 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA